

BUSINESS OPPORTUNITY

CC-YOSE003-16

Department of the Interior

National Park Service
Yosemite National Park

***Operation of a Grocery, including Retail Sales,
Food and Beverage, and Related Services
at the El Portal Administrative Site***

This page intentionally left blank

TABLE OF CONTENTS

INTRODUCTION.....	1
THE NATIONAL PARK SERVICE AND ITS MISSION	1
DOING BUSINESS IN A NATIONAL PARK.....	2
VISITATION INFORMATION.....	2
YOSEMITE NATIONAL PARK	6
ENABLING LEGISLATION	7
CONCESSION OPPORTUNITY	8
EL PORTAL ADMINISTRATIVE STIE	8
DRAFT CONTRACT TERM.....	9
REQUIRED AND AUTHORIZED SERVICES: DRAFT CONTRACT	10
PROJECTED DEPARTMENTAL AND TOTAL GROSS RECEIPTS	10
<i>Grocery Department</i>	11
<i>Retail Sales</i>	11
<i>Other Departments</i>	11
<i>Authorized Services</i>	11
INVESTMENT ANALYSIS.....	12
ASSIGNED GOVERNMENT PERSONAL PROPERTY.....	12
PERSONAL PROPERTY AND INVENTORY	12
START-UP COSTS.....	12
DEFERRED MAINTENANCE	12
LEASEHOLD SURRENDER INTEREST	13
OTHER DRAFT CONTRACT INFORMATION.....	14
FRANCHISE FEE.....	14
INSURANCE REQUIREMENTS.....	14
CONCESSION FACILITIES.....	14
UTILITIES.....	14
CLIMATE AND SEASONALITY.....	15
MERCED WILD AND SCENIC RIVER COMPREHNSIVE MANAGEMENT PLAN.....	15
EXISTING CONCESSION CONTRACT	16
REQUIRED AND AUTHORIZED SERVICES: EXISTING CONTRACT	16
HISTORICAL GROSS RECEIPTS.....	16
MARKET AREA OVERVIEW	17
SITE VISIT	17

INTRODUCTION

The National Park Service ("Service") seeks proposals for a new National Park Service ("Service") concession contract, CC-YOSE003-16 ("Draft Contract"), authorizing a Concessioner to operate a grocery, retail sales, food and beverage services, and other related services at the El Portal Administrative Site adjacent to Yosemite National Park ("Park"). This Prospectus describes in general terms the existing business operations and the future business opportunities for the facilities and services allowed pursuant to the Draft Contract. Offerors must review all sections of this Prospectus and, specifically, the terms and conditions of the Draft Contract (in Part IV), including its exhibits, to determine the full scope of the future concessioner's responsibilities under the Draft Contract.¹ The Service is conducting this solicitation in accordance with the National Park Service Concessions Management Improvement Act of 1998 (Public Law 105-391), as implemented by regulations in 36 C.F.R. Part 51.

This Prospectus is issued under the authority of 36 C.F.R. Part 51. In the event of any inconsistency between the terms of this Prospectus and 36 C.F.R. Part 51, 36 C.F.R. Part 51 will control. In the event of any inconsistency between the terms of the Draft Contract and this prospectus, the Draft Contract will control. Copies of Public Law 105-391 and 36 C.F.R. Part 51 are included as Appendices to this Prospectus. The term "Concessioner" as used in the Prospectus refers to the entity that will be the concessioner under the Draft Contract. The term "Existing Concessioner" refers to Kirstie Kari-Dunbar, an individual, doing business as Kari & Sons, the concessioner under the current concession contract CC-YOSE003-08 ("Existing Contract"). The Existing Contract, as amended, is included as an Appendix to this Prospectus.



THE NATIONAL PARK SERVICE AND ITS MISSION

In 1916, President Woodrow Wilson approved legislation creating the National Park Service within the Department of the Interior. That legislation stated that Congress created America's National Park Service to:

...conserve the scenery and the natural and historic objects and the wild life therein and to provide for the enjoyment of the same in such a manner and by such means as will leave them unimpaired for the enjoyment of future generations. (54 U.S.C. § 100101(a))

Additionally, Congress has declared that the National Park System should be:

...preserved and managed for the benefit and inspiration of all the people of the United States... (54 U.S.C. § 100101(b))

The Service has as its overall mission the preservation and public enjoyment of significant aspects of the nation's natural and cultural heritage. To learn more about the National Park Service, visit www.nps.gov. This site includes information about the Service's mission, policies, and individual park units.

¹ The information and assumptions included in the Prospectus are based on a review and interpretation of available public records, Service records, and consultation with knowledgeable sources. On this basis, the information and assumptions are believed to be accurate. However, the Service makes no representations or warranties as to the accuracy or completeness of such information and assumptions. Offerors are responsible for undertaking appropriate due diligence with respect to the Prospectus. Should any Offeror believe any statement in the Prospectus to be inaccurate, the Offeror should submit comments to the Service in writing, as provided in the Proposal Instructions.



DOING BUSINESS IN A NATIONAL PARK

The National Park System has been established and is preserved and managed for the benefit and inspiration of the people of the United States. Congress has mandated that park resources and values are to be conserved and are to be provided for enjoyment in such manner and means as will leave them unimpaired for the enjoyment of future generations, unless a particular law directly and specifically provides otherwise.

To enforce these fundamental management principles, the National Park Service has adopted a number of regulations that apply to activities within National Park Service-administered areas, including to business activities. These regulations are published in 36 C.F.R. Parts 1-199 and are available at <http://www.gpo.gov/fdsys/>. The regulations include a number of general restrictions that may affect business activities, including for example significant restrictions on the display and distribution of commercial notices or advertisements (in 36 C.F.R. §5.1). In addition, the regulations set out a number of specific requirements for National Park Service concessioners, including applicable labor standards (in 36 C.F.R. Part 8) and provisions for the solicitation, award and administration of concession contracts (in 36 C.F.R. Part 51).

Additional legal requirements apply due to the location of concession operations on lands that are administered by the Federal government through the National Park Service. Federal and State (including local) governments have varying authority to exercise government power and authority over such lands, depending upon the type of interests the Federal government obtained when acquiring the property and what authority a State has chosen to retain. This authority, right or power of a government to act is referred to generally as legislative jurisdiction.

The Concession Facilities in El Portal Administrative Site are located in an area of proprietary jurisdiction. Under this type of legislative jurisdiction, the State of California retains all jurisdictions over the area that the State would have if a private individual rather than the United States owned the land. For example, State and local governments have the right to impose taxes on persons, property and activities in the area and may exercise their regulatory powers. However, State and local governments may not, under the supremacy clause of the Constitution, exercise their authority directly on the Federal government or so as to interfere with Federal functions. In addition to its rights as a property owner, the United States also has constitutional rights under the property clause that a private individual does not have. Congress has delegated a measure of that constitutional authority to the Service to make and enforce regulations in Service-administered areas. These include, for example, the regulations published in Title 36 of the Code of Federal Regulations. All non-property related crimes are addressed under State law by State officers.

In addition to the laws and regulations that directly apply to concession operations, the Service has chosen, as a matter of contract, to apply various building and other operational codes to concession operations; these are identified in the Draft Contract's Operating and Maintenance Plans (Exhibits A and E).

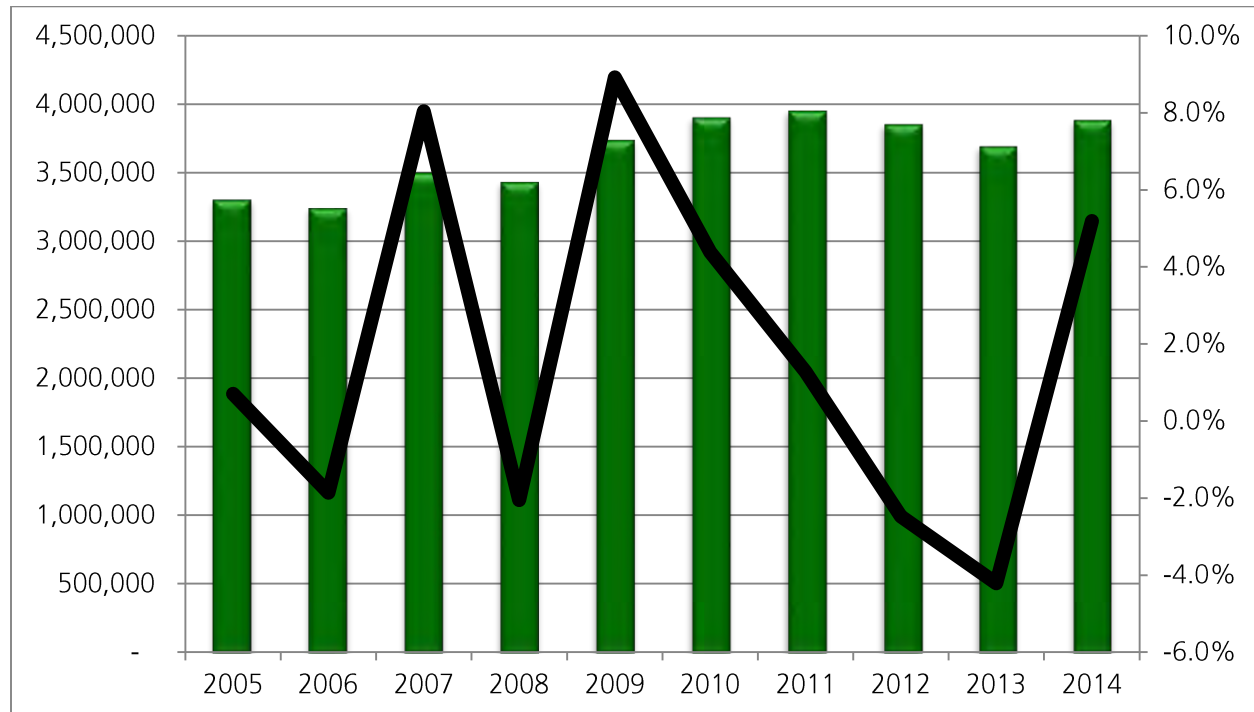
VISITATION INFORMATION

Yosemite National Park is open on a year round basis and has four possible entrances to access the Park; however one of those, Highway 120 from the east over Tioga Pass, is not accessible year around. The following exhibit depicts the Park visitation over the past ten years, including the percent change from year to year. The Service bases recreation visitor counts on data traffic counters placed across multiple points within the Park. Although not all traffic counters function at all times, this data provides the best available estimate of the trend in visitation to the Park.



Visitation for 2014 was 3,882,642, increasing just over 5.0% from 2013 primarily as a result of the Rim Fire occurring during late summer and the Government shut-down for 17 days in October, 2013. The following exhibit presents the visitation and percent change over the last 10 years.

Exhibit 1. Yosemite National Park Recreation Annual Visitation (2005-2014)

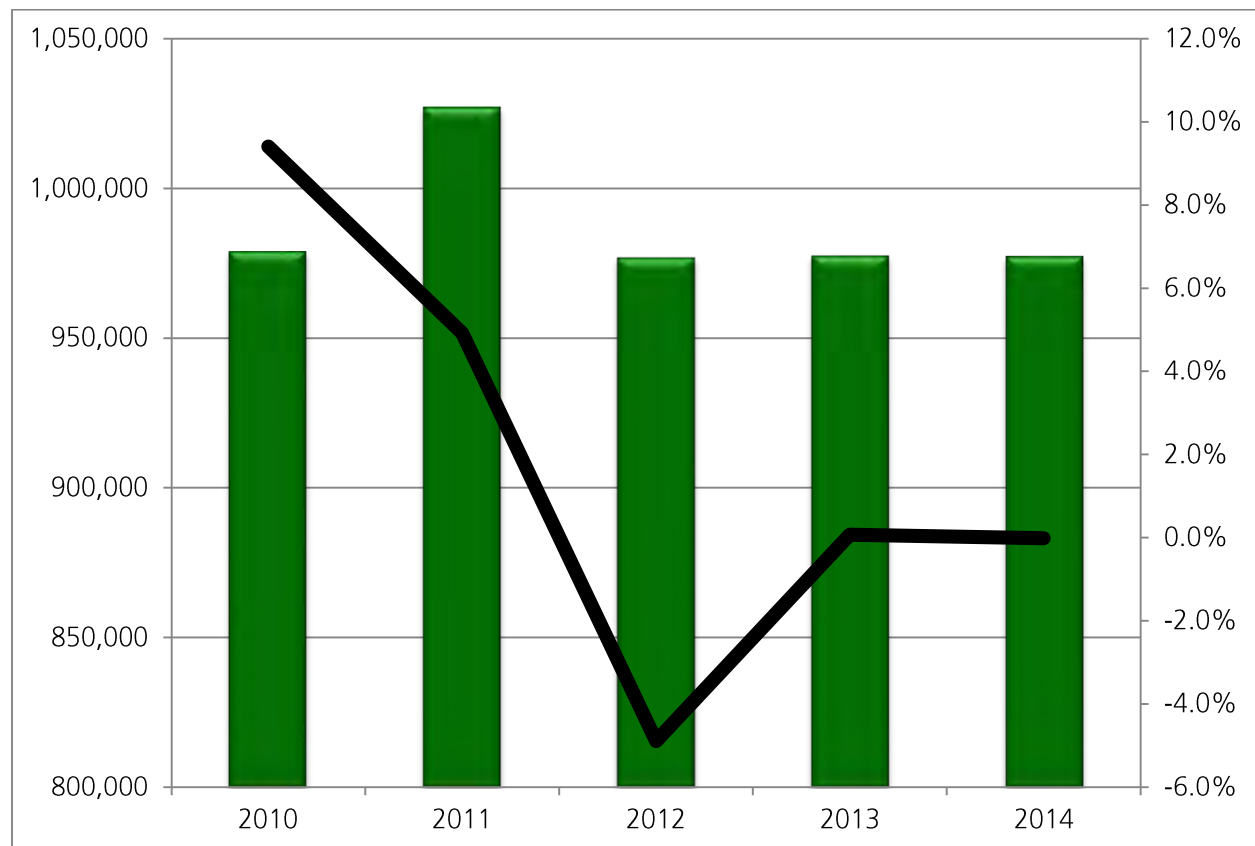


Source: National Park Service



The location of the services included in the Draft Contract is in El Portal, the Administrative Site adjacent to the Park, along Highway 140 prior to reaching the Arch Rock entrance station. The following exhibit demonstrates the total visitation coming through the Arch Rock entrance station and the percentage of the total visitation to the Park.

Exhibit 2. Arch Rock Entrance Station Recreation Visitors (2010-2014)



Source: National Park Service



Seasonality of Visitation

Although the Park is open year around, visitation to the Park is moderately seasonal and is linked to the weather and the summer season. During periods of warm temperatures, visitors flock to Yosemite Valley and the backcountry to enjoy the high sierras. The following table summarizes average monthly visitation over the 2010 through 2014 period. As shown, almost 70% of the total annual visitation is concentrated in the warmer spring and summer months of May through September.

Exhibit 3. Average Monthly Recreation Visitation (2010-2014)

Month	Average Visitation	Share of Annual
January	106,669	2.8%
February	107,030	2.8%
March	139,786	3.6%
April	234,567	6.1%
May	359,819	9.3%
June	511,658	13.3%
July	641,284	16.6%
August	645,204	16.7%
September	492,755	12.8%
October	334,760	8.7%
November	158,888	4.1%
December	123,560	3.2%
Annual	3,855,980	100%

Source: National Park Service



YOSEMITE NATIONAL PARK

"It is by far the grandest of all the special temples of Nature I was ever permitted to enter." – John Muir

The Park's *General Management Plan* states two equal purposes for Yosemite National Park:

The first is preservation of the resources that contribute to Yosemite's uniqueness and attractiveness—its exquisite scenic beauty; outstanding wilderness values; a nearly full diversity of Sierra Nevada environments, including the very special sequoia groves; the awesome domes, valleys, polished granites, and other evidences of the geologic processes that formed the Sierra Nevada; historic resources, especially those relating to the beginnings of a national conservation ethic; and evidences of the Indians that lived on the land. The second purpose is to make the varied resources of Yosemite available to people for their individual enjoyment, education, and recreation, now and in the future. (1980 General Management Plan, pg. 5)

Yosemite National Park is a dynamic environment that has been, and continues to be, shaped by the forces of nature. These natural processes, such as flood, fire, wind and rockfall, combine to create a unique environment for visitors.



Located in the Sierra Nevada of central California, the Park was first protected in 1864; it consists of almost 750,000 acres or just less than 1,200 square miles and is home to hundreds of wildlife species and thousands of plants. Of the total acreage, approximately 95% is designated wilderness. In the non-wilderness area there are roads and other improvements that facilitate access to and use of the Park by visitors as well as necessary management facilities. Known worldwide, visitors are drawn to the Park for its natural environments, including pristine meadows and lakes, evergreen and hardwood forests, spectacular waterfalls, sheer granite monoliths, and other unique natural features. The Park was designated a World Heritage Site in 1984. Additionally two Wild & Scenic Rivers, the Tuolumne and Merced rivers, begin in the Park and flow west to the Central Valley.

The Park is located 195 miles from San Francisco and 315 miles north of Los Angeles. The Park is accessible by three roads, Highway 120 which spans the entire Park, including Tioga Pass which is closed during the winter due to weather; Highway 140 from Merced through Mariposa; and Highway 41 from the south from Fresno. The Park includes portions of Tuolumne, Mariposa, and Madera counties and lies within the 19th congressional district of California. National forest lands (Inyo, Sierra, Stanislaus, and Toiyabe) surround the Park's boundaries.



ENABLING LEGISLATION

The purpose of the Park was articulated by a series of legislative actions. On June 30, 1864, the United States granted Yosemite Valley and the Mariposa Big Tree Grove to the State of California to be “held for public use, resort, and recreation” to be “inalienable for all time.” On October 1, 1890, Congress passed an act establishing Yosemite National Park as a “forest reservation” to preserve and protect “from injury of all timber, mineral deposits, natural curiosities or wonders” within the area of the Park and to retain them in their “natural condition.” The act excluded Yosemite Valley and the Mariposa Big Tree Grove, leaving them under the jurisdiction of the state of California as provided for in the act of 1864. A Joint Resolution of Congress on June 11, 1906, accepted the transfer of Yosemite Valley and the Mariposa Big Tree Grove from the state of California, to the federal government, subject to the provisions in the 1890 Act.



Additional information on the Park is located at www.nps.gov/yose/index.htm.

CONCESSION OPPORTUNITY

There are five entrances to the Park, four of which provide access to Yosemite Valley. The four entrances leading to Yosemite Valley include Big Oak Flat Entrance, Highway 120 west from Modesto and Manteca, Arch Rock Entrance, Highway 140 west from Merced, passing through El Portal Administrative Site, South Entrance, Highway 41 north from Fresno, and Tioga Pass Entrance, Highway 120 east from Lee Vining and Highway 395. Additionally, the fifth entrance to the Park is the Hetch Hetchy Entrance along Hetch Hetchy Road from Evergreen Road west of the Big Oak Flat Entrance. This entrance provides no direct access to Yosemite Valley or to any operations under the Draft Contract.

EL PORTAL ADMINISTRATIVE SITE

The El Portal Administrative Site is a 1,200 acre area just outside of and adjacent to the western boundary of Yosemite National Park. From El Portal eastward, California Highway 140 (called the El Portal Road within the Park) proceeds up the Merced River Gorge and ultimately into Yosemite Valley. West of El Portal, Highway 140 leads to Mariposa, CA.

Congress authorized the acquisition of the El Portal area for use as an administrative site for Yosemite National Park so that utilities, facilities, and services required in the operation and administration of Yosemite National Park could be located outside the Park. Between 400 and 700 either live or work in El Portal including Park, concessioner, and partner employees. Overnight motel lodging, gift sales and restaurant facilities are located nearby, on privately owned land outside of the boundaries of the El Portal Administrative Site and of the Park. El Portal is a small community with few services provided locally. The balance of housing consists of the National Park Service units in the Rancheria Flat area and a few units in Old El Portal. Trailer Village also houses employees of the Park's concessioners.

Concession operations in El Portal consist of the grocery and general merchandise store described in this Prospectus and a gas station operated under a separate concession contract. Historically the grocery and general merchandise store has been patronized by the public visiting adjacent Yosemite National Park; in addition, incidental use is made of this facility, It by community members Adjacent to the Park boundary and outside the administrative site are 335 motel rooms and two sit down restaurants. Another facility with 209 motel rooms and two sit down restaurants is located approximately six miles west of the park boundary on Highway 140.

National Park Service facilities in the El Portal Administrative Site include a wastewater treatment plant, a resources management office, and an administrative, maintenance, and warehouse complex. Additional facilities near Old El Portal include the Yosemite Conservancy office, post office, Interdenominational Chapel, library, fire station, community hall, and public school.



Exhibit 4. Yosemite National Park Area / El Portal Administrative Site



Source: National Park Service

DRAFT CONTRACT TERM

The term of the Draft Contract will be for ten (10) years and with an estimated effective date of November 1, 2016. The effective date of the Draft Contract is subject to change prior to award if determined necessary by the Service. In such an event, the expiration date of the Draft Contract will be changed to continue the same term length from any adjustment to the effective date.



REQUIRED AND AUTHORIZED SERVICES: DRAFT CONTRACT

The following table provides the Required and Authorized services per the Draft Contract, the only change from the Existing Contract is the Draft Contract will require the Concessioner to provide an Automated Teller Machine.

Exhibit 5. Draft Contract Required and Authorized Services	
Required Services	
Grocery	
Retail Sales	
Food and Beverage	
Automated Teller Machine ("ATM")	
Authorized Services	
Movie Rentals	
Firewood Sales	
Vending Services	
Source: National Park Service	

PROJECTED DEPARTMENTAL AND TOTAL GROSS RECEIPTS

The Proposal Package (Part III of this Prospectus), requires Offerors to develop financial projections based on the services required under the Draft Contract. To assist Offerors in the development of these projections, the Service provides certain financial and operating data on the following pages. In addition, the Service has included additional basic information to aid the Offerors in making projections.

Some or all of the projections may not materialize and unanticipated events may occur that will affect these projections. The Offerors should be appropriately cautious in the use of all operating estimates provided below. Although the Service does provide some financial projections, Offerors are responsible for producing their own prospective financial analyses and may not rely on the Service projections. The Service does not warrant, and assumes no liability for, the accuracy of the financial projections or estimates contained in this Prospectus.

Exhibit 6. Projected Departmental and Total Gross Receipts	
Department	2016
Grocery, Packaged Liquor, Retail Sales	\$962,000 - \$1,063,000
Food and Beverage	\$175,000 - \$194,000
Total Gross Receipts	\$1,137,000 – \$1,257,000
Source: National Park Service	



Grocery Department

The Concessioner will provide grocery items including staple food products, fresh produce, organic produce where practicable, seasonal specialties when possible, dairy, meats, baby food and products, dry foods, candy, nuts, and other snack items, bakery goods, frozen foods, non-alcoholic and alcoholic beverages (off-sale beer, wine, distilled spirits) ice, and non-edible grocery items including laundry, dish and household care, paper/plastic/foil products, health and beauty care, and pet care.

Retail Sales

The Concessioner will carry a selection of limited general merchandise including household hardware, tools, housewares, picnic and camper supplies, school and office supplies, toys, batteries, film and photo, greeting cards, and postcards. Additionally, the Concessioner will carry a limited selection of sporting goods and recreational equipment, such as backpacks, to meet the needs of visitors who may have forgotten items or need emergency replacements. The intent of this visitor service is to provide an appropriate, but limited, selection of items which represents a range of price and quality levels.

Other Departments

The Draft Contract requires retail, food and beverage, and an ATM services. The Concessioner is limited to no more than 15% of all retail display space for retail (souvenir) sales, including any Yosemite themed clothing and merchandise items. Limited food and beverage sales must include fresh and pre-packaged sandwiches, other deli items, and coffee and tea. Additionally, on a year-round basis, the Concessioner must provide ATM services within the Market.

Authorized Services

The Concessioner is authorized to rent movies, sell firewood, and provide other vending as part of the Draft Contract. Should the Concessioner choose to provide firewood sales, the Concessioner must acquire pest-free, fully cured firewood from outside the Park. The Concessioner may sell only locally grown and harvested firewood in accordance with state quarantines. To find more information on state firewood policies and local quarantines, Offerors should visit <http://www.dontmovefirewood.org/the-problem/state-state-information/index.htm>. The term "local firewood" often means purchasing firewood from within no greater than 50 miles from the source, even if it is still within the state. If local firewood is not available, concessioners must purchase and sell certified firewood. Certified firewood must have a USDA issued certificate indicating it is pest-free available upon request.



INVESTMENT ANALYSIS

A breakdown of the initial investments estimated to be made by the Concessioner is presented in the Exhibit below. All amounts are stated in 2015 dollars. This is only an estimate; the Offeror must make their own final determination of the investment required to support the Required Services.

Exhibit 7. Estimated Initial Investment

Item	Estimated Amount (2015 Dollars)
Personal Property	\$45,000
Inventory	\$80,000
Working Capital & Start-up Expenses	\$203,000
Total Estimated Initial Investment	\$328,000

Source: National Park Service

ASSIGNED GOVERNMENT PERSONAL PROPERTY

The Service will assign certain items of Government Personal Property to the Concessioner for the limited purpose of use in performance of the Draft Contract. Exhibit D (Assigned Government Personal Property) to the Draft Contract identifies this property.

PERSONAL PROPERTY AND INVENTORY

The Concessioner is required to obtain all other personal property necessary provide the required visitor services. There is no requirement for the incoming Concessioner to purchase the personal property of the Existing Concessioner, nor for the Existing Concessioner to sell any personal property to the incoming Concessioner. However, the Concessioner may purchase personal property from the Existing Concessioner subject to mutually agreed upon terms. The Service estimates the Concessioner will need to purchase \$45,000 in personal property, which may include such things as a point of sale system, software, etc.

The Service estimates the Concessioner will need to purchase \$80,000 in inventory, consisting primarily of grocery and retail items.

START-UP COSTS

At the start of the Draft Contract, the Concessioner will need to make a one-time investment in a range of activities to ramp up operations. These activities include staff hiring, training that may involve compensation in addition to normal wages, systems implementation, and marketing and advertising beyond normal annual expenditures. The Service estimates start-up costs to be approximately \$203,000.

DEFERRED MAINTENANCE

There is no deferred maintenance requirement.



LEASEHOLD SURRENDER INTEREST

The Existing Concessioner does not have a leasehold surrender interest (as that term is defined under the 1998 Act, in 16 U.S.C. §5954, and its implementing regulations, 36 C.F.R. Part 51). The Existing Contract did not authorize the construction of any Capital Improvements, and the Existing Concessioner is not entitled under 16 U.S.C. §5954(c) to receive the value of any leasehold surrender interest.



OTHER DRAFT CONTRACT INFORMATION

FRANCHISE FEE

The minimum franchise fee will be equal to **four percent (4.0%)** of the Concessioner's annual gross receipts as defined in the Draft Contract. Offerors may propose a higher minimum franchise fee, as described more fully in the Proposal Package (included in Part III of this Prospectus).

INSURANCE REQUIREMENTS

The Service has included minimum insurance requirements in Exhibit F of the Draft Contract (Part IV of the Prospectus). Interested parties should consider these requirements in preparing their proposals.

CONCESSION FACILITIES

The Service will assign one Government-owned structure and adjacent land areas to the Concessioner to use to provide services under the Draft Contract ("Concession Facilities"). The building contains approximately 3,319 square feet and is located adjacent to the El Portal Gas Station which is operated under a separate concession contract. Exhibit C to the Draft Contract includes a map showing this assignment. The Concessioner will be responsible for maintenance, repairs, housekeeping and grounds-keeping of the Concession Facilities, as provided in the Draft Contract, in particular in its Exhibit A (Operating Plan) and Exhibit E (Maintenance Plan).

UTILITIES

The Service furnishes water and wastewater services to the Concessioner with usage monitored by water meters. In 2014, the Service cost to produce water and wastewater was \$34.35 per thousand gallons of water and wastewater used. The comparable water and wastewater rate outside of the Area was \$4.55 per thousand gallons of water used, which was \$29.808 less than the rate charged by the Service. The Existing Concessioner used 56,600 gallons of water and wastewater during the 2014 calendar year at a total billed cost of \$1,964.22.

NPS Director's Order 35B (DO-35B), Cost Recovery for NPS-Provided Utilities, requires the Service to recover all costs from users (Friends groups, Concessioners, etc.) including utility-related cyclic repairs, cyclic rehabilitation, and capital improvements to the utility system. For additional information, see DO-35B, included as an appendix to this Prospectus.



Projected water and wastewater rates based on DO-35B methodologies appear in the following exhibit.

Exhibit 8. Projected Utility Rates

Year	Total Projected Water/Wastewater Utility Rate
2016	\$40.08
2017	\$41.73
2018	\$48.15

Source: National Park Service

CLIMATE AND SEASONALITY

Yosemite generally features warm, dry summers and snowy, rainy winters. Spring and fall are transitional months, when sunny days can become stormy. Given the large elevation gradient within the Park, however, climatic conditions can vary significantly depending on location.

Visitation patterns and road closures dictate the seasonality of concession operations at various locations throughout the Park. The actual operating season for visitor services in the Tuolumne Meadows, White Wolf and High Sierra Camps vary from year-to-year. Road and weather conditions vary, and logistical requirements with associated opening and closing of Concession Facilities, include removing snow from roads, parking areas, trails, roofs, and porches, the assembly of soft-sided lodging and housing structures, and charging (spring) and winterizing (fall) utility systems.

The Tioga Road, the only trans-Sierra crossing through the Park, typically closes from early November until mid to late May; most concession services located along this road close for the same period. The exception is the year-round operation of the Crane Flat fuel station. Housekeeping Camp, the High Sierra Camps, as well as some Curry Village and Wawona accommodations operate seasonally. Some food and beverage, retail, and recreational services in Yosemite Valley, Wawona, and other locations within the Park also operate on a seasonal basis. For further details, please refer to Exhibit B (Operating Plan) of the Draft Contract.

MERCED WILD AND SCENIC RIVER COMPREHNSIVE MANAGEMENT PLAN

The *Merced Wild and Scenic River Final Comprehensive Management Plan and Environmental Impact Statement* ("MRP" or "Merced River Plan"), released in February 2014, addresses the renowned Merced Wild and Scenic River's 81 miles within Yosemite National Park and the El Portal Administrative Site. The MRP functions as the guiding document to protect and enhance river values and manage use within the river corridor for the next 20 years.

The Final MRP protects the Merced River's free-flowing condition, water quality, and the unique values that have made the celebrated river worthy of special protection under the Wild and Scenic Rivers Act. The final plan represents a rich collaboration amongst the public, research scientists, Park partners, traditionally associated American Indians, and Park staff to explore visions for the future of Yosemite Valley and the Merced Wild and Scenic River. The final plan brings forward the best in science, stewardship, and public engagement to ensure continual protection and enhancement of the rare, unique, and exemplary qualities of the Merced River.

For further information about the Merced River Plan, please refer to the Park planning website at http://www.nps.gov/yose/parkmgmt/mrp_finalplan.htm.



EXISTING CONCESSION CONTRACT

The Existing Concessioner provides visitor services at the El Portal Administrative Site adjacent to the Park under the Existing Contract. The Existing Contract commenced on March 1, 2008, and was originally due to expire on May 31, 2014 but has been extended since that time to avoid interruption of visitor services. The Existing Contract expires on December 31, 2015.

The store is open daily on a year round basis, except for Christmas Day and New Year's Day. Other similar stores in the area include a small convenience store at Yosemite View Lodge and Cedar Lodge, one mile east and six miles west, respectively, of the Existing Concessioner. Otherwise, the nearest grocery outlets are located in the Park, 15 miles away, and Mariposa, 32 miles away.

REQUIRED AND AUTHORIZED SERVICES: EXISTING CONTRACT

The following exhibit shows the required and authorized visitor services at the El Portal Market under the Existing Contract.

Exhibit 9. Existing Contract – Required and Authorized Services	
Required Services	
Grocery	
General Merchandise	
Sporting Goods and Recreational Equipment	
Firewood	
Authorized Services	
Movie Rentals	
Vending	

Source: National Park Service

Under the Existing Contract gifts and souvenirs, novelty, handicraft items, or other similar merchandise is not authorized for sale.

HISTORICAL GROSS RECEIPTS

The following exhibit presents gross receipts from 2012 through 2014. Total revenue increased by 12.1% in 2014 as compared to 2013.

Exhibit 10. Historic Gross Receipts by Department			
Department	2012	2013	2014
Grocery/General Merchandise	\$519,863	\$632,892	\$868,177
Package Liquor	\$338,720	\$339,547	\$194,673
Food and Beverage	\$127,819	\$164,193	\$201,231
Total	\$986,402	\$1,127,632	\$1,264,081
Franchise Fees	\$4,932	\$5,638	\$6,320

Source: National Park Service



MARKET AREA OVERVIEW

Mariposa, located in the western foothills of the Sierra Nevada Mountains, is north of Fresno, east of Merced, and southeast of Stockton. As of the 2010 census, the population was 18,251 up from 17,130 at the 2000 census. The county seat is Mariposa. The county's eastern half is the central portion of Yosemite National Park.

Demographic and economic information regarding the counties surrounding the Park, in comparison to the State of California and the United States, is provided below.

Exhibit 11. Economic/Demographic

	Mariposa County, CA	Madera County, CA	Tuolumne County, CA	California
Population ²⁰¹⁰	18,251	150,865	55,365	37,253,956
% Change ²⁰⁰¹⁻²⁰¹⁰	6.5%	22.5%	1.6%	10.0%
Per capita Income ²⁰⁰⁹	\$26,642	\$18,988	\$26,775	\$22,711
Retail Sales Per capita ²⁰⁰⁷	\$4,705	\$6,956	\$10,460	\$12,261
Language other than English	7.1%	41.4%	7.2%	42.2%
College Education	18.1%	12.9%	17.7%	29.7%
Unemployment Rate ²⁰¹²	12.5%	14.7%	12.8%	11.2%

Source: U.S. Census Bureau, U.S. Labor Dept.

SITE VISIT

A one-day site visit will occur on the date listed on the inside front cover of this Prospectus. For more information regarding the specific time and to reserve a place please email both Kimberley Gagliolo (kim_gagliolo@nps.gov) and Linda Niles-Sheetz (linda_niles_sheetz@nps.gov). The site visit will be an opportunity for all interested parties to get an overview of the concession operation along with a tour of Concession Facilities associated with the Draft Contract.